



STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

PO Box 43172 • Olympia, Washington 98504-3172

December 13, 2005 Monthly Meeting Minutes

**1. CALL TO ORDER**

Chair Luce called the December 13, 2005 monthly meeting to order at 925 Plum Street S.E., Building 4, Room 308, at 1:30 p.m.

**2. ROLL CALL**

Council members present were:

Dick Fryhling  
Hedia Adelsman  
Chris Towne  
Judy Wilson  
Tim Sweeney  
Patti Johnson (via phone)  
Jim Luce

Community, Trade & Economic Development  
Department of Ecology  
Department of Fish and Wildlife  
Department of Natural Resources  
Utilities and Transportation Commission  
Kittitas County Representative  
Chair

**Staff in attendance were:**

Allen Fiksdal – EFSEC Manager, Mike Mills – Compliance Manager, Irina Makarow – Siting Manager, Mariah Laamb – Council Secretary, Ann Essko – Council Attorney

**Guests in attendance were:**

Darrel Peeples – Attorney, Laurie Vigue – WDFW, Alan Harger – DOT, Scott Williams – PSE, Karen McGaffey – Perkins Coie, Cindy Custer – BPA, Duncan McCaig – Chehalis Power, Tom Donovan – Grays Harbor Energy, Joe Long – Grays Harbor Energy

**Guests attending via phone:**

Mot Hedges – Energy Northwest, James Hurson – Kittitas County, Darryl Piercy – Kittitas County

**3. ADOPTION OF PROPOSED AGENDA**

The agenda was presented to the Council for amendments or additions. The agenda was adopted as proposed.

#### 4. MINUTES

Staff presented the following minutes for approval: November 8, 2005 monthly meeting and November 8, 2005 special meeting. **Council member Dick Fryhling moved to accept both sets of minutes, Chris Towne seconded the motion. Council voted to approve the minutes. The motion passed unanimously.**

#### 5. WILD HORSE WIND POWER PROJECT

<b><i>Construction Progress Report</i></b>	<b><i>Irina Makarow, EFSEC Staff</i></b>
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Scott Williams from Puget Sound Energy summarized the construction progress for the Wild Horse Project. The new site entrance from Vantage Highway has been completed and opened for use. The Q Turbine row roads are completed and 75% graveled. Foundations for turbine locations Q 4 and Q 5 have been drilled and one of them has been blasted. Pads for Turbine locations C 1 and C 3 have been rough graded, as have Turbine A and B.

The concrete batch plant has been assembled but is not producing concrete yet. Rock crushing operations have been completed at Quarry No. 1 and are continuing at Quarry No. 2. The spur road to the project substation has also been graded. Temperatures have been very cold on the site with some snow falling, but contractors are still working as they can.

<b><i>Amendment to Site Certification Agreement</i></b>	<b><i>Irina Makarow, EFSEC Staff</i></b>
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Darrel Peeples, representing Puget Sound Energy (PSE), reported that PSE was expecting to file a request to mend the Site Certification Agreement later in the day. The amendment will address a new location for the maintenance facility closer to the Vantage Highway and the relocation of a portion of the transmission line on the site.

In the Application and Site Certification Agreement (SCA), a single Operations and Maintenance Facility was proposed near the center of the site. A Visitor's Kiosk was proposed near Vantage Highway. PSE now proposes that the maintenance facility be moved to a 12,000 – 13,000 square foot building near the site entrance on Vantage Highway, where the visitor's kiosk was to be constructed. The operations center would remain at the current location but it would also incorporate a visitors' center. PSE intends that the maintenance facility serve both the Wild Horse and the Hopkins Ridge projects. By moving the maintenance facility to Vantage Highway, the Operations and Visitors' Center can be designed to be much less obtrusive and more compatible with the natural surroundings.

PSE also requests that the alignment of the transmission line on site be adjusted to be out of view from the proposed new visitors' center. As a result of the realignment, the transmission line would be approximately 1000 feet shorter. PSE surveyed the portions of the transmission line for cultural and wildlife habitat resources. The alignment was adjusted to avoid some good quality shrub steppe habitat. The main impacts of these changes would be the addition of 3 acres of permanent disturbance. The areas disturbed are primarily decimated shrub steppe habitat. The 600 acre habitat mitigation parcel required by the SCA was in excess of mitigation required by state guidelines. The overall impact of these changes on site operations would be positive because fewer vehicles would travel to the center of the site.

Ms. Makarow informed the Council that EFSEC rules require the Council to establish a schedule for review of the proposed amendment. The schedule will be presented at the January Council meeting. The Council is required to conduct a public hearing in Kittitas County and that will be scheduled in late January.

## **6. KITTITAS VALLEY WIND POWER PROJECT**

<b><i>Progress Report</i></b>	<b><i>Irina Makarow, EFSEC Staff</i></b>
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Darrel Peebles reported the Kittitas Valley Wind Power Project is set for hearings in Kittitas County on January 10-12, 2006. Jim Hurson of Kittitas County, reported the County is waiting for the Addendum to the draft Environmental Impact Statement that summarizes the project modifications. Ms. Makarow reported the document is scheduled to be delivered to the state printer on the coming Friday, but a CD and a hard copy will be sent to the County by Monday.

## **7. PROJECT UPDATES**

### **Columbia Generating Station**

<b><i>Operations</i></b>	<b><i>Mot Hedges, Energy Northwest</i></b>
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Mr. Hedges reported that Columbia Generating Station is operating at 100% power and has been online for 164 continuous days.

<b><i>NPDES Wastewater Discharge Permit</i></b>	<b><i>Mike Mills, EFSEC Staff</i></b>
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Mr. Mills reported the draft permit is in its final stages and the Ecology permit writer expects to have it completed by the end of the month when it will be sent to Energy Northwest and EFSEC for review. The Council will then issue the permit for public comment and a hearing will be scheduled for late January – early February 2006. If the hearing is to be held in the Tri-Cities, staff will make every effort to coordinate with hearings for any of the Kittitas County projects.

<b><i>Visitors Center</i></b>	<b><i>Mot Hedges, Energy Northwest</i></b>
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Mr. Hedges stated that there is no new information regarding the visitors' center available at this time.

### **WNP-1**

<b><i>Site Restoration</i></b>	<b><i>Mot Hedges, Energy Northwest</i></b>
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Mr. Hedges reported that the near-term environmental, public health and safety work scheduled to be done by the end of 2005, has essentially been completed at the WNP-1/4 project sites. Mr. Mills noted that he and Jeff Ayres, Ecology, had walked the sites last week and everything that Energy Northwest had committed to finish was done, and they had been able to complete a number of the long-term items as well. Mr. Hedges stated that the focus now is on an asset recovery program, where they are trying to sell remaining components at WNP-1 for scrap metal.

Energy Northwest expects to submit a package to EFSEC in the near future documenting the work that has been done at the 1 and 4 sites that can be formally acknowledged by the Council. Following that, they plan to submit a request that the WNP-1/4 Site Certification Agreement be amended to reflect the changes that have occurred. They expect to submit that request in the spring of 2006.

<b><i>Offsite Environmental Mitigation</i></b>	<b><i>Mike Mills, EFSEC Staff</i></b>
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Mr. Mills indicated that he has been in touch with all four of the project sponsors that were awarded contingency grants to pursue the Skookumchuck Conservation Project and three mitigation projects in Benton County at the December 1 special meeting. Staff is working on contracts with those groups – The Trust for Public Land, Tapteal Greenway Association (Tapteal), Reach Visitor Center and Confederated Tribes of the Umatilla Indian Reservation / Washington State University – to be able to transfer funds to those organizations. Council member Hedia Adelman noted that the Department of Ecology had completed a wetland analysis of several properties in the Amon Creek area and discussions were continuing between Tapteal, the City of Richland, Department of Transportation, Ecology, and the property owners regarding acquiring property in the creek basin for wetlands preservation, open space and future park development.

Chair Luce referred to a letter from the Mayor of the City of Richland, requesting that the Council consider redirection any excess mitigation funding to the Hanford Reach Visitor Center project. Following discussion, it was agreed that the chair would send a response to the city indicating that while it was anticipated that all the funds allocated to the Benton County projects would be fully utilized, in the event they were not, the Council would consider a reallocation of funds among the already funded projects.

### **Satsop Combustion Turbine Project**

<b><i>Progress Report</i></b>	<b><i>Tom Donovan, Grays Harbor Energy</i></b>
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Mr. Donovan gave the following progress report to the Council on the status of the Satsop Combustion Turbine Project (Project). The Project remains in construction deferral status and all construction activities remain suspended. Equipment continues to be maintained by Invenergy Services staff. On-going activities continue to include environmental monitoring, motor rotations, electrical checks, and maintenance of materials and the structural integrity of the steam turbine generator, gas turbine generators and the Heat Recovery Steam Generators (HRSGs).

Bonneville Power Administration (BPA) has agreed in principal to allow the Project interconnection at the Satsop switchyard. However, BPA has not yet committed to allow delivery of power into the system and needs to complete the required facility study before a transmission service interconnection agreement can be tendered. Additionally, BPA continues to indicate export of power beyond the Satsop switchyard is restrained as transmission access at Olympia and beyond is limited, but Grays Harbor Energy continues to pursue firm transmission access.

They are continuing to market the Project capacity to the full spectrum of potential offtakers. A request to extend the air permit was submitted to EFSEC in August. Council staff, supported by the Department of Ecology, has reviewed the request and accompanying Best Available Control Technology (BACT) analysis and the final draft permit should be ready for public comment within the next 30 days.

Stormwater inspections and surveys continue to be conducted as required. The United States Geological Survey (USGS) velocity meter is up and running with real-time data posted to the web site. However, there appears to be an anomaly in the data (readings from the gage that were not probable based on the data from the Chehalis at Grand Mound and Satsop River stations.) The USGS is checking into this. Anomalies are not uncommon: USGS has modified data on the web site once they've done the qualitative analysis reviews, and they post a disclaimer on the real time data saying that it is preliminary.

The Spill Prevention Control and Countermeasures Plan was updated and approved, effective November 1, 2005. It will be issued with the Environmental Commitment Book that will be issued shortly.

The Site Restoration security letter of credit was amended to extend the expiration through 2006, in the amount of \$5,657,041. The permittee is applying to renew the water rights for the site as well. Mr. Donovan closed by stating that they remain committed to completing the Project.

### **Chehalis Generation Facility**

<b><i>Status Report</i></b>	<b><i>Duncan McCaig, Chehalis Power</i></b>
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Mr. McCaig gave the following status report for the Chehalis Generation Facility (Plant) to the Council. There were no recordable safety incidents for the second, third, and fourth quarters of 2005. Chehalis Power continues to maintain a strong safety program and continues to implement STOP, a corporate-wide behavioral-based program that requires each individual to conduct at least one audit per month. The Plant staff is celebrating more than 1000 days without a Lost Time Accident (1126 days).

There are no environmental incidents to report. There have been no storm water exceedances all year. The Plant continues to monitor wastewater and transmitted the third quarter 2005 report. There have been no zinc exceedances for the past three quarters. Biennial air emissions testing was completed this past summer and all parameters were well below permit limits. They are working with EFSEC on the Title V Air Operating Permit application. The site remains in excellent shape. Storm water originating from the site remains clear. The Plant is working with EFSEC staff on a proposal to modify the Prevention of Significant Deterioration (PSD) permit for a longer cold start period (from 3 to 5 hours) to enable adherence to the steam turbine vendor's technical specifications. They expect to return their PSD comments to EFSEC by this Friday.

There are 19 TPI staff on site with 1 summer/part-time student, September – December. Staff conducted training onsite, at the corporate training center and through vendors. All operator qualifications have been completed and all operators and engineers are certified.

The Plant has been highly dispatched this month, in response to higher loads resulting from the cold weather. The Plant was unaffected by winter storms, cold and freezing weather. A wet spring dampened market prices and hopes for high dispatch and during the summer, high gas prices and low off-peak prices continued to negatively impact Plant dispatch. Plant reliability continues to be high (~ 95% in 2005). Reliability was impacted by turbine combustor problems in May. Plant availability continues to be high (~ 95% in 2005). Availability was also impacted by the combustor problems.

Last winter, the Plant proposed to EFSEC two minor modifications that would help the Plant to restore some of the output lost during warmer weather. EFSEC concurred, and the changes were made. In the spring, we completed the modifications to combustion turbine controls and the installation of fogging at the turbine air inlets. These changes are now operational and did help us maintain some capacity during the summer. However, the changes have not yet been optimized due to some technical problems. These are continuing to improve startup reliability through procedures and controls modifications. The steam turbines startup has been improved, but is still a problem during cold startup. Plant staff successfully completed its second annual outage in April 2005. They are preparing for the third annual outage in late April-May 2006 for repairs, routine maintenance, and inspections. They anticipate only a short outage. At that time, the Row Zero blades in the combustion turbines will be replaced with so-called P-cut blades. They are more resistant to stress fractures. The change will not affect turbine output or heat rate.

Public concern for Plant noise is a fraction of that expressed two years ago. For the most part, concern has been limited to startup and a few equipment failures. Some neighbors and passersby comment that the plant seems very quiet. They continue to conduct routine daily noise tests per our agreement with EFSEC. Noise during normal operations affects only one neighbor who lives adjacent to the plant. Plant staff contact that neighbor to explain the situation when any unusual noises occur at the plant.

Last December, the Plant conducted a comprehensive noise test during startup. As a result, acoustic insulation was installed on the hogger, which reduced noise. A noise barrier was also installed at the external drains tank which reduced noise. A modification to the feedwater recirculation did not reduce noise as expected, and they are still working with the vendor. Other noise reduction efforts include: reducing the duration of by-pass noise through faster startups; preparing a proposal to management that will eliminate the noise from startup vents; and continuing to investigate low-frequency noise (lasts about 2-3 minutes) that occurs during startup. This startup noise is an issue for one other neighbor, and extensive analysis has been conducted to determine the exact cause. The source is either the combustion turbines or the Heat Recovery Steam Generator (HRSG), or a resonance between both.

#### **Sumas 2 Generation Facility**

<b><i>Progress Report</i></b>	<b><i>Karen McGaffey, Perkins Coie</i></b>
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Ms. McGaffey, representing Sumas Energy 2, Inc. (SE2), informed the Council that the appeal of the decision denying construction of a transmission line in Canada was denied in federal Canadian court. The Certificate Holder is evaluating its options and plans to make a decision in the next 2-4 weeks. SE2 requests that no work be done on their request to extend the PSD permit until SE2 reports back to the Council.

### **8. CHAIR'S REPORT**

Chair Luce briefed the Council on discussions he has had with the Governor on her major energy issues. Chair Luce noted that she will support legislation to give EFSEC transmission siting and revise EFSEC's expedited processing. He also expects there will be much discussion regarding legislation introduced this coming session to deal with both issues.

### **9. OTHER**

The schedule for next year's meeting dates will be sent electronically and by hard copy to those on our minutes and agenda mailing list and to all Council members.

### **10. ADJOURN**

The meeting was adjourned by Chair Luce at 2:28 p.m.